



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

Randy Goodwin, Treasurer  
Republican Majority Campaign  
13421 Malena Drive  
Santa Ana, CA 92705

**NOV -4 2015**

RE: MUR 6979  
(formerly RR 15L-19)

Dear Mr. Goodwin:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting that Republican Majority Campaign (the "Committee") and you, in your official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On May 28, 2015, the Commission notified the Committee that it was being referred to the Commission's Office of the General Counsel for possible enforcement action under 52 U.S.C. § 30109. On October 27, 2015, the Commission found reason to believe that the Committee and you, in your official capacity as treasurer, violated 52 U.S.C. § 30104(b)(2) and (4) by failing to accurately disclose receipts and disbursements on its original 2014 April Quarterly Report. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to you as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that you violated the law.

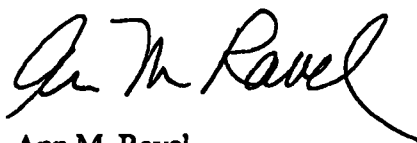
If you are interested in engaging in pre-probable cause conciliation, please contact Saurav Ghosh, the attorney assigned to this matter, at (202) 694-1643 or (800) 424-9530, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if you are not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519. This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and § 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

We look forward to your response.

On behalf of the Commission,



Ann M. Ravel  
Chair

<sup>1</sup> The April Quarterly report is not election-sensitive. 11 C.F.R. § 111.43(d)(1).

<sup>2</sup> Election sensitive reports are considered "not filed" if they are not filed four days prior to the relevant election; non election-sensitive reports are considered "not filed" if they are not filed within 30 days of their due date. 11 C.F.R. § 111.43(e).

Page 3

## Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 **RESPONDENTS:** Republican Majority Campaign and Randy Goodwin MUR 6979  
4 in his official capacity as treasurer  
5

6 **I. GENERATION OF MATTER**

7 This matter was generated based on information ascertained by the Federal Election  
8 Commission (the "Commission") in the normal course of carrying out its supervisory  
9 responsibilities, *see* 52 U.S.C. § 30109(a)(2). The Reports Analysis Division ("RAD") referred  
10 Republican Majority Campaign and Randy Goodwin in his official capacity as treasurer (the  
11 "Committee") to the Office of the General Counsel ("OGC") for failing to disclose receipts of  
12 \$658,359.09 and disbursements of \$670,461.08 on its original 2014 April Quarterly Report. *See*  
13 RAD Referral, dated May 20, 2015 ("Referral"). In response, the Committee acknowledges the  
14 reporting errors but requests that the Commission consider certain mitigating factors. Based on  
15 the available information, the Commission has determined to open a matter under review  
16 ("MUR") and find reason to believe that the Committee violated 52 U.S.C. § 30104(b)(2) and (4)  
17 by failing to accurately disclose its receipts and disbursements.

18 **II. FACTUAL AND LEGAL ANALYSIS**

19 **A. Factual Background**

20 The Committee is a multicandidate, qualified nonparty political action committee  
21 ("PAC") based in Santa Ana, California, that filed its Statement of Organization with the  
22 Commission on December 17, 2007, and has filed regular disclosure reports since that date. On  
23 April 15, 2014, it timely filed its original 2014 April Quarterly Report covering the period from  
24 January 1, 2014, through March 31, 2014. That report disclosed no receipts or disbursements.

1 On July 15, 2014, the Committee filed an amended 2014 April Quarterly Report that disclosed  
2 total receipts of \$658,359.09 and total disbursements of \$670,461.08.

3 The Committee also filed a Miscellaneous Electronic Submission ("FEC Form 99")  
4 explaining that while preparing to file its 2014 July Quarterly Report, its treasurer, Randy  
5 Goodwin, discovered that the Committee's 2014 April Quarterly Report was missing required  
6 information regarding its receipts and disbursements. Referral at 2. Mr. Goodwin speculated  
7 that the missing information was likely lost due to a "major glitch" with FEC File software. He  
8 maintained that on April 15, he had unsuccessfully tried to upload the report several times, then  
9 encountered a major error that caused all of the data he had entered to be lost. He claimed that  
10 while attempting to resolve the problem, he was able to recover "window images from the FEC  
11 File program" that showed the missing data. *Id.* at 3. He then successfully uploaded the report,  
12 but did not realize that the submitted report contained incomplete information. On July 15, 2014,  
13 Mr. Goodwin realized that he had not submitted a complete and accurate April Quarterly report,  
14 and he prepared and filed an amended report that included the missing data. *Id.* at 3-4.

15 RAD sent the Committee a Request for Additional Information ("RAFI") seeking  
16 clarification regarding the substantial increase in receipts and disbursements disclosed on the  
17 amended 2014 April Quarterly Report, and in response, Mr. Goodwin called the Committee's  
18 RAD analyst on November 18, 2014. *Id.* at 4. The analyst advised Mr. Goodwin that the matter  
19 could be forwarded to another office for further Commission action, and that the Committee  
20 could file an additional FEC Form 99. *Id.* at 4. The next day, the Committee did so, and that  
21 form reiterated the earlier explanation and added that because Mr. Goodwin had a report for  
22 another PAC due on April 14, 2014, he turned his attention to that other report immediately after

1 filing the Committee's 2014 April Quarterly Report. *Id.* On December 8, 2014, a RAD analyst  
2 called Mr. Goodwin and left a message again explaining that the matter could be referred for  
3 further Commission action and informing him that if the Committee wished to place any further  
4 information on the public record, it should do so by December 12, 2014. *Id.* The Committee did  
5 not do so.

6 RAD referred the Committee to the Office of the General Counsel based on the  
7 substantial increased activity on its Amended 2014 April Quarterly Report, which disclosed  
8 additional receipts of \$658,359.09 and disbursements of \$670,461.08. On May 28, 2015, the  
9 Office of the General Counsel notified the Respondent of the Referral in accordance with the  
10 Commission's policy regarding notification in non-complaint generated matters. Letter from Jeff  
11 S. Jordan, Assistant General Counsel, Office of Complaints Examination and Legal  
12 Administration, Federal Election Commission, to Randy Goodwin, Treasurer, Republican  
13 Majority Campaign (May 28, 2015); *see* 74 Fed. Reg. 38,617 (Aug. 4, 2009).

14 The Committee responded by explaining that it amended the 2014 April Quarterly Report  
15 to correct omissions from its original report caused by a possible software glitch. *See*  
16 Memorandum from Randy Goodwin, Treasurer, Republican Majority Campaign, to the Office of  
17 the General Counsel, Federal Election Commission (June 18, 2015) (hereinafter, "Response").  
18 Mr. Goodwin, on behalf of the Committee, argued that the following should be considered as  
19 mitigating factors: (1) he has been a PAC treasurer for over 33 years without any serious  
20 problems with his reports to the Commission; (2) Mr. Goodwin filed an amended report as soon  
21 as he discovered the problem; (3) the 2014 April Quarterly Report was not election-sensitive;  
22 (4) FEC File "has had some serious flaws" in the past; and (5) Mr. Goodwin now double-checks

1 the contents of his reports after he files them to ensure that this type of situation will not recur.

2 *Id.* at 2.

3 **B. Legal Analysis**

4 The Federal Election Campaign Act of 1971, as amended (the "Act"), requires committee  
5 treasurers to file reports of receipts and disbursements in accordance with the provisions of  
6 52 U.S.C. § 30104. *See* 52 U.S.C. § 30104(a)(1); 11 C.F.R. § 104.1(a). These reports must  
7 include the total amount and nature of these receipts and disbursements. *See* 52 U.S.C. §  
8 30104(b)(2), (4); 11 C.F.R. § 104.3(a), (b). Here, the Committee did not comply with the Act's  
9 reporting requirements when it failed to disclose receipts of \$658,359.09 and disbursements of  
10 \$670,461.08 on its 2014 April Quarterly Report—an aggregate total of \$1,328,820.17 in  
11 increased activity.

12 In its response, the Committee claims that it inadvertently failed to file an accurate and  
13 complete report because of an apparent "glitch in the [FEC File] software." Response at 1. There  
14 does not, however, appear to be any basis for the Committee's assertion that the Commission's  
15 software prevented it from filing an accurate report.

16 First, no other political committee reported problems with FEC File around the time  
17 when Mr. Goodwin tried to upload the relevant report. Second, Mr. Goodwin does not claim that  
18 he called the Commission for help, even though he acknowledged that he has previously done so  
19 when having issues with filing reports. Instead, Mr. Goodwin stated that after the report  
20 "vanished from [his] computer screen," he "panicked" and tried to find it, and when he thought  
21 he had found the report again, he submitted it "immediately," apparently without checking its  
22 contents. Referral at 4. He concedes that he "could have somehow accidentally erased the data."

1 Response at 1. Ultimately, the Committee was responsible for ensuring timely and accurate  
2 filing of reports with the Commission, and Mr. Goodwin, as treasurer, should have made sure the  
3 report he filed was accurate.

4 Accordingly, the Commission found reason to believe that the Committee violated  
5 52 U.S.C. § 30104(b)(2) and (4) by failing to disclose receipts of \$658,359.09 and disbursements  
6 of \$670,461.08 on its 2014 April Quarterly Report.